

CROMWELL SUSTAINABLE BALANCED FUND

The Fund's Portfolio Managers discuss the equity and fixed income markets and their approach to finding sustainable businesses for the equity and fixed income portfolios.

EQUITY ALLOCATION



Quoc Tran
Chairman and Chief Investment Officer



Michael Im, CFA
Co-Portfolio Manager and Director of Research



▶ Would you please discuss your thoughts on the equity market as we begin 2024?

We believe the equity market is at a powerful inflection point. With the Federal Reserve ending its rate hikes, we anticipate solid performance in growth equities as investors shift their focus to fundamentals where factors such as revenue growth and earnings growth drive returns.

With the Fed expected to cut rates three times in 2024, we see renewed interest in equities relative to fixed income and believe select sectors are poised to outperform. For example, we see opportunities in quality growth companies including Information Technology companies that provide essential services and Health Care services companies, which often enjoy both defensive and offensive characteristics.

▶ Why hold a concentrated portfolio?

We believe to beat the market, the portfolio needs to look different than the market. For the Sustainable Balanced Fund, we seek to hold a concentrated group of 25 to 35 high-quality mid- and large-cap companies purchased at a reasonable valuation with a higher earnings growth profile compared to the overall market.

▶ What is your process for finding sustainable companies?

At Tran Capital, we focus on companies that exhibit proper governance and long-term sustainable growth. We believe companies that treat all stakeholders responsibly can generate better total returns for shareholders while mitigating risk. We define sustainable securities as those that score 3 or higher on our proprietary 5-point ESG scale. In ranking a company's ESG criteria, we consider the following:

- » **The external impact of a company's product or service**
- » **The company's internal policies, controls, and interactions with shareholders, employees, and other stakeholders.**

Further, Tran Capital does not employ negative screening and will consider all companies in all industries for the portfolio.



CLASS	INCEPTION	TICKER
Institutional	12/29/23	CSBIX

Fund Facts

Asset Class: **Moderate Allocation**
Benchmark: **60% S&P 500 Index | 40% Bloomberg US Aggregate Bond Index**

About Cromwell Funds

Headquartered in Baltimore, MD, the Cromwell Funds provide Financial Advisors with high-quality, differentiated and actively managed strategies in a mutual fund format. The Funds are sub-advised by asset managers who have built a national reputation managing their investment strategies.

Cromwell Funds' Sub-Advisors:

- » Aristotle Pacific Capital
- » CenterSquare Investment Management
- » Corbyn Investment Management
- » Foresight Group
- » Marketfield Asset Management
- » Tran Capital Management

Contact Us

888.844.4110
advisors@thecromwellfunds.com
thecromwellfunds.com

FIXED INCOME



David Weismiller, CFA
Senior Managing Director
and Portfolio Manager



Ying Qiu, CFA
Managing Director and
Portfolio Manager



ARISTOTLE
PACIFIC CAPITAL

► What are your current thoughts on the fixed income market?

While it took time for the Federal Reserve's policy to slow job growth and inflation, it appears that its rate hikes are finally filtering through the economy.

Due to the Fed's actions, fixed income securities with shorter maturities have been more attractive in 2023. Longer-term rates could be more volatile as they could be impacted by the slowing economy and potential rate cuts. If the U.S. economy slows more than expected or heads into a recession, lower long-term rates may continue.

In terms of sectors, many sectors should continue to perform well if the economy slows. We are still seeing many late-cycle Industrials that have strong backlogs into 2024 and 2025, with an overall larger capex spend from some government programs. Alternatively, we have been avoiding the retail sector especially high-end consumer products as we believe the interest rate environment might slow consumer spending.

Overall, we do not expect a significant slowing in the economy, we prefer to focus on defensive positions for our fixed income portfolio. Importantly, at Aristotle Pacific Capital, we are a bottom-up, credit-focused manager looking for our "best ideas" in investment-grade fixed income.

► What fixed income securities does the Fund invest in?

The Fund primarily invests in investment grade debt securities, which could include corporate bonds, mortgage-related securities, asset-backed securities, debt securities issued by the U.S. government or its related agencies and U.S. dollar-denominated debt securities issued by developed foreign governments and corporations.

The Fund is expected to maintain a weighted average duration within two years (plus or minus) of the Bloomberg US Aggregate Bond Index benchmark.

► How do you define "sustainability"?

For the fixed income portfolio, in addition to our bottom-up fundamental approach, we seek to mitigate financial risk by viewing securities through a sustainable lens. We seek to exclude areas we believe will create more risk to the portfolio, such as companies producing tobacco, controversial military weapons or thermal coal as well as those companies with serious human rights violations, severe environmental damage, or gross corruption.

Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing. For this and other information, please call 855.625.7333 or visit thecromwellfunds.com for a prospectus. Read it carefully before investing or sending money.

Mutual fund investing involves risk. Principal loss is possible. Each Sub-Advisor's use of its respective Environmental, Social, and Governance (ESG) criteria could cause the Fund to perform differently compared to funds that do not have such policies. The criteria related to this ESG framework may result in the Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so. There is no assurance that employing ESG and Sustainable strategies will result in more favorable investment performance. The value of debt instruments may fall when interest rates rise. Debt instruments with longer durations tend to be more sensitive to changes in interest rates, making them more volatile than debt instruments with shorter durations or floating or adjustable interest rates. The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. The Fund is new with no operating history, and there can be no assurance the Fund will grow to or maintain an economically viable size, in which case the Board of Trustees may determine to liquidate the Fund.

The S&P 500 Index is a capitalization-weighted index of 500 stocks. The Bloomberg U.S. Aggregate Bond Index a broad base bond market index representing intermediate term investment grade bonds traded in the U.S. An investment cannot be made directly into an index.

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